Exhibit 300 (BY2009)

PART ONE	
OVERVIEW	
1. Date of Submission:	2007-09-10
2. Agency:	015
3. Bureau:	45
4. Name of this Capital Asset:	Electronic Management System (EMS)
5. Unique Project Identifier:	015-45-01-14-01-2252-00

6. What kind of investment will this be in FY2009?
Mixed Life Cycle

7. What was the first budget year this investment was submitted to OMB?
FY2001 or earlier

8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.
The Electronic Management System (EMS), ID No. 015-45-01-14-01-2252-00, requests FY09 funding approval of $9.359 million for operations, systems maintenance, and proposed upgrades to sustain security, operability, and availability. As the principal electronic gateway for electronic commerce, EMS is IRS' main processing system for electronic information exchanges between the IRS and external Trading Partners (TPs). Current tax forms include Form 1040 family, 1041, 1065, 1120 family, 94x, 990 family, State Acknowledgements (StAck), and Electronic Tax Documents, (ETDs). These forms come in a variety of formats, including IRS Proprietary, Magnetic Tape, and Extensible Markup Language (XML). EMS receives tax information, performs validation for each form type/format, provides a unique acknowledgement receipt and/or rejects transmissions not meeting validation requirements. Valid transmission "drain" files are made available for subsequent retrieval and processing by the mainframe Electronic Filing (ELF) systems. Another EMS component is the State Retrieval Subsystem. SRS receives state data from either the 1040 or 1041 ELF processing system, performs validations, and makes state files available to each participating State partner. States that participate in the Fed/State program, log in securely through EMS to retrieve State files. EMS also supports Help Desk employees who provide TP assistance. The EMS Help Desk is web-based and supported through a web browser. The Help Desk makes TP filing information and reports available to authorized users. The StAck process allows State partners the ability to log in to EMS and "drop off" their State Acknowledgements, for subsequent retrieval by respective TPs, promoting the Fed/State program and one-stop service.

9. Did the Agency's Executive/Investment Committee approve this request?
yes

9.a. If "yes," what was the date of this approval?
2007-08-16

10. Did the Project Manager review this Exhibit?
yes

11. Project Manager Name:
Keith, Norman

Project Manager Phone:
(202) 283-5074

Project Manager Email:
norman.keith@irs.gov

11.a. What is the current FAC-P/PM certification level of the project/program manager?
TBD

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.

no	
12.a. Will this investment include electronic assets (including computers)?	
yes	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment directly support one of the PMA initiatives?	
yes	
If yes, select the initiatives that apply:	
Expanded E-Government	
13.a. Briefly and specifically describe for each selected how this asset directly supports the identified initiative(s)? (e.g. If E-Gov is selected, is it an approved shared service provider or the managing partner?)	
E-File supports the President's Management Agenda (PMA) for expanded Electronic Government by providing America's taxpayers the ability to electronically file tax returns via third-party TPs. As the managing partner of this activity, EMS is a secure front-end processing system that receives, validates, stores, and acknowledges receipt of encrypted transmissions containing tax information, (tax forms and documents.	
14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)?	
yes	
14.a. If yes, does this investment address a weakness found during the PART review?	
yes	
14.b. If yes, what is the name of the PARTed program?	
Internal Revenue Service Submission Processing	
14.c. If yes, what rating did the PART receive?	
Moderately Effective	
15. Is this investment for information technology?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 2	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(1) Project manager has been validated as qualified for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2007 agency high risk report (per OMB memorandum M-05-23)?	
yes	
19. Is this a financial management system?	
no	
19.a.2. If no, what does it address?	
The investment offers taxpayers an electronic alternative to paper tax returns. The investment contributes significantly to a cost savings of over $2 per return for those filed electronically. The error rate for electronically filed returns is less that 1%.	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	7
Software	0
Services	87
Other	6
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
n/a	

22. Contact information of individual responsible for privacy related questions.		
Name		
Carlos Moura		
Phone Number		
202- 927-0730		
Title		
Management and Program Analyst		
Email		
carlos.moura@irs.gov		
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?		
yes		
24. Does this investment directly support one of the GAO High Risk Areas?		
yes		

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

	PY-1 & Earlier	PY	CY
	-2006	2007	2008
Planning Budgetary Resources	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.700	0.500
Maintenance Budgetary Resources	142.840	6.198	4.556
Government FTE Cost	40.470	2.000	1.792
# of FTEs	20	16	16

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures (indicators) must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative measure.

Agencies must use the following table to report performance goals and measures for the major investment and use the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Map all Measurement Indicators to the corresponding Measurement Area and Measurement Grouping identified in the PRM. There should be at least one Measurement Indicator for each of the four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov. The table can be extended to include performance

	Fiscal Year	Strategic Goal Supported	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Taxation Management	Reduce costs related to tax return processing by providing a reliable electronic alternative to the paper tax return. Each electronically filed tax return save over $2.	$2 * 74,114,675 electronically filed Form 1040 tax returns saved $148,229,350.	$148,229,350 saved	$157,372,000 saved
2	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	New Customers and Market Penetration	Increase the number of of electronically filed Form 1040 tax returns by at least 2.5%	54.96% of all Form 1040 returns were filed electronically	57.46%	58.21%
3	2007	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Errors	Maintain an error rate for electronically filed tax retursn that is less than 1%.	1% error rate	0.9% error rate	0.85% error rate
4	2007	Manage the U.S. Government's Finances Effectively	Technology	Availability	Operate the application so schedule downtime is less than 1.5% of scheduled availability.	1.5% scheduled downtime	1.2% scheduled downtime	1.1% scheduled downtime
5	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Taxation Management	Reduce costs related to tax return processing by providing a reliable electronic alternative to the paper tax return. Each electronically filed tax return save over $2.	$2 * 80,755,650 electronically filed Form 1040 tax returns saves $161,511,300.	$161,511,300 saved	
6	2008	Ensure	Customer	New	Increase the	38.68 % of all	41.43%	

		Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Results	Customers and Market Penetration	number of of electronically filed tax returns by at least 2.5%	returns were filed electronically	
7	2008	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Errors	Maintain an error rate for electronically filed tax retursn that is less than 1%.	0.9% error rate	0.85% error rate	
8	2008	Manage the U.S. Government's Finances Effectively	Technology	Availability	Limit scheduled downtime to less than 1.5% of total availability.	1.2% scheduled downtime	1.15% scheduled downtime	
9	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Mission and Business Results	Taxation Management	Reduce costs related to tax return processing by providing a reliable electronic alternative to the paper tax return. Each electronically filed tax return save over $2.	$2 * 99,432,300 electronically filed tax returns saves $198,864,600	$212,456,800 saved	
10	2009	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	New Customers and Market Penetration	Increase the number of of electronically filed tax returns by at least 2.5%	41.43% of all returns were filed electronically	43.54%	
11	2009	Manage the U.S. Government's Finances Effectively	Processes and Activities	Errors	Maintain an error rate for electronically filed tax retursn that is less than 1%.	0.85% error rate	0.8% error rate	
12	2009	Manage the U.S. Government's Finances Effectively	Technology	Availability	Limit scheduled downtime to less than 1.5% of total availability.	1.15% scheduled downtime	1.1% scheduled downtime	
13	2010	Promote Prosperous U.S. and World	Mission and Business Results	Taxation Management	Reduce costs related to tax return	$2 * 106,228,400 electronically	$224,404,600 saved	

					processing by providing a reliable electronic alternative to the paper tax return. Each electronically filed tax return save over $2.	filed tax returns saves $212,456,800.		
14	2010	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Customer Results	New Customers and Market Penetration	Increase the number of of electronically filed tax returns by at least 2.5%	43.54% of all returns were filed electronically.	45.26%	
15	2010	Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Depart. of Treasury	Processes and Activities	Errors	Maintain an error rate for electronically filed tax retursn that is less than 1%.	0.75% error rate	0.7% error rate	
16	2010	Manage the U.S. Government's Finances Effectively	Technology	Availability	Limit scheduled downtime to less than 1.5% of total availability.	1.05% scheduled downtime	1% scheduled downtime	

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

Modernized e-File is described as replacing EMS functionality in the Enterprise Transition Plan, Volume 1, Enterprise Transition Strategy, Version 1.0 dated September 16, 2005. Modernized e-File description and release strategy are described in Section 3.2.2.. This document was prepared for authorized distribution only. It has not been approved for public release.

3. Is this investment identified in a completed (contains a target architecture) and approved segment architecture?

no

4. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to http://www.whitehouse.gov/omb/egov/.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Tax Account Management, Business Logic	Manages the electronic capture of taxpayer specific data	Data Management	Data Exchange			No Reuse	90
2	Data Exchange	Data exchange with trading partners occurs via the drop box component. Data exchange with backend components, ELF and MeF, occurs via the EMS relay component.	Data Management	Data Exchange			No Reuse	10

5. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Service Access and Delivery	Delivery Channels	Internet	TIPPS Contract, support services
2	Data Exchange	Service Access and Delivery	Service Requirements	Legislative / Compliance	Secure telnet connections
3	Data Exchange	Service Access and Delivery	Access Channels	Other Electronic Channels	CNT channels for EMC storage access
4	Data Exchange	Service Access and Delivery	Delivery Channels	Peer to Peer (P2P)	TIPPS Contract, support services
5	Data Exchange	Service Access and Delivery	Service Requirements	Authentication / Single Sign-on	improved trading partner login access

6. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2007-03-30

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

The life cycle cost estimate and schedule include a risk reserve that is adjusted for inflation. These reserves are maintained to ensure that the project can respond to any realized risk.

COST & SCHEDULE

1. Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

2. Is the CV% or SV% greater than ± 10%?

no

3. Has the investment re-baselined during the past fiscal year?

no